

UMJINDI LOCAL MUNICIPALITY



FINAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012/13 FINANCIAL YEAR

Compiled by the IDP Coordinator

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Approved by the Executive Mayor

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Municipal Vision

The gem of the Lowveld, a preferred destination for all.

Municipal Mission

Our mission is to serve the Umjindi residents with quality services that are sustainable and reliable; also developmental and affordable in order to be the preferred destination for all.

1. INTRODUCTION AND PURPOSE

Umjindi Municipality's mission is to serve the Umjindi residents with quality services that are sustainable and reliable; also developmental and affordable in order to be the preferred destination for all.

The Service Delivery and Budget Implementation Plan (SDBIP) 2012/13 is a detailed plan for implementing the delivery of services and the budget for the 2011/12 financial year according to the Municipal Finance Management Act. The SDBIP therefore serves as a contract between the administration, council and the community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. The SDBIP facilitates the process of holding management accountable for their performance. It provides the basis for measuring performance in the delivery of services.

2. LEGISLATIVE FRAMEWORK

The legislative guiding the compilation of this SDBIP consists of the following pieces of legislation which are central to the operations of any municipality:

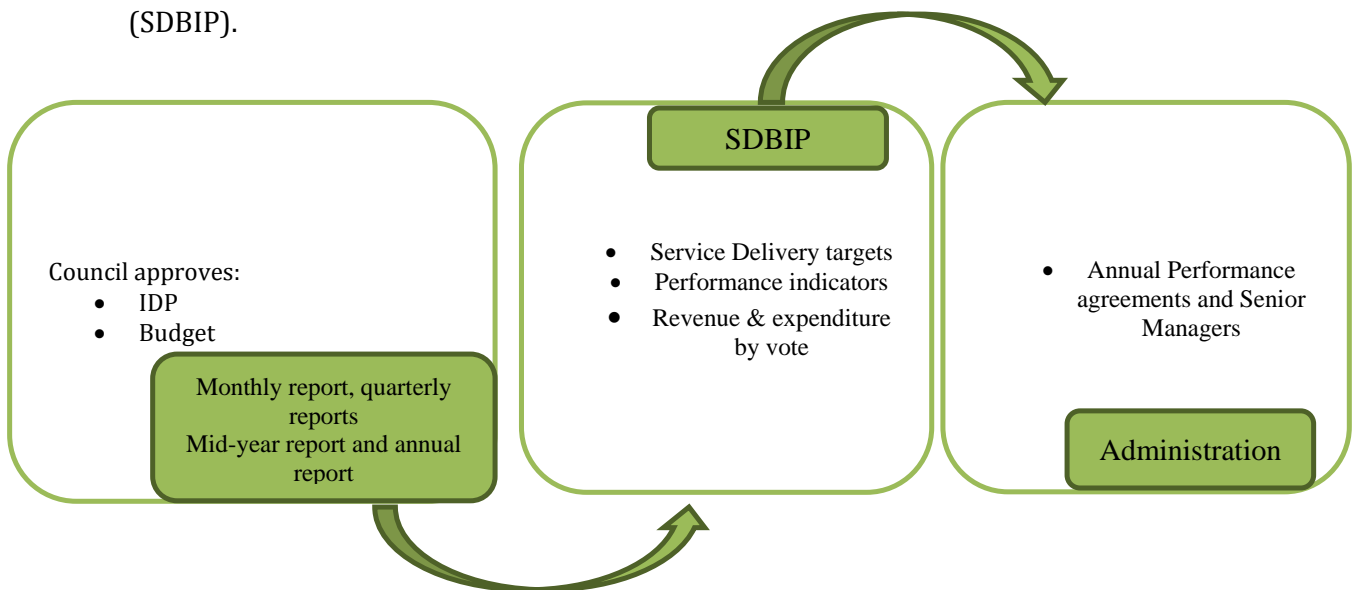
- The Constitution of the Republic of South Africa, 1996;
- The Local Government: Municipal Finance Management Act 56 of 2003(MFMA) – which requires municipalities to develop SDBIPs annually. According to Section 53(1)(c)(ii), the SDBIP is defined as a detailed plan approved by the Mayor of a municipality for implementing the municipality's delivery of municipal services and its annual budget and which must indicate the following:

- (a) Projections for each month of:
 - (i) Revenue to be collected by source; and
 - (ii) Operational and capital expenditure by vote
- (b) Service delivery targets and performance indicators for each quarter; and
- (c) Other matters prescribed.

3. THE SDBIP CYCLE

The SDBIP informed by the Integrated Development Plan and the Budget approved by Council and seeks to, in detail, map out how the IDP priorities and objectives, through various departmental programmes, will be achieved. The Service Delivery and Budget Implementation Plan forms the basis on which Performance Agreements of the Municipal Manager and senior managers will be concluded and signed in terms of section 57 of the Municipal Systems Act.

The diagram below shows the process by which Council adopts IDP and Budget and attaches measurable milestone on which Umjindi Municipality has to deliver (SDBIP).



The SDBIP is a contract between the administration, Council and the community. It consists of a one year detailed performance plan, a three year capital works plan and financial projects of income and expenditure. It outlines key performance indicators and targets that are linked to key performance areas as derived from the

IDP. It further focuses on inputs, targets and output and enables efficient performance and monitoring of senior management.

Section 69(3) (a) and (b) of the Municipal Finance Management Act, 2003 (MFMA) requires the Accounting Officer to submit a draft Service Delivery and Budget Implementation Plan (SDBIP) to the Mayor no later than 14 days after the approval of the budget and drafts of the performance agreement as required in terms of Section 57 (1) (b) of the Municipal Systems Act. The Mayor must subsequently approve the SDBIP no later than 28 days after the approval of the budget in accordance with Section 53(1) (c) (ii) of the MFMA.

4. STRATEGIC INTENT

KEY PERFORMANCE AREA	STRATEGIC OBJECTIVE	PRIORITY AREA
Basic Service Delivery and infrastructure development	A better life for all through improved access to basic services	Water Sanitation Electricity Roads and stormwater Refuse removal and waste management Housing Town planning
Local Economic Development	To create an enabling environment in order to promote economic growth	Economic growth SMME development Economic Development
	To alleviate poverty through job creation	Job creation Capacity building
Financial Viability And Management	To implement sound financial planning	Financial planning Revenue enhancement Budget management Debt collection Creditors Asset register Supply Chain Management Reporting Financial Compliance and Audit Issues
	To promote financial management and accountability	
	To improve sound financial viability of the municipality	
	To update and improve asset register in compliance with GRAP	
	A well-managed and compliant supply chain management environment for Umjindi	
Good Governance and Public Participation	Create community beneficiation and empowerment opportunities	HIV and AIDS Parks; Sports and Recreation IGR Transversal programme

	To strengthen out people's centred approach to governance and development	Customer Care Communication Public participation
	To facilitate, monitor and support accountable sustainable governance	Risk Fraud and prevention Auditing Reporting
Institutional Transformation And Organisational Development	To develop and implement Human Resources Development Policy	Human capital Records and administration Labour Employment Equity Performance reporting Accountability and governance

5. THE BUDGET

The following table represents the 2012/13 MTREF as informed by the 2011/12 Adjustment Budget, Integrated Development Plan and various other best practice methodologies e.g. Balanced budget constraint, affordability of services to the community within the context of sustainability.

DESCRIPTION	BUDGET 2012/13	% OF BUDGET
Operating Revenue by GFS Vote		
Council(Executive Mayor, Councillors & MM)	2 515 000	1
Financial Services	64 859 000	33
Corporate Services	4 000	0.1
Community Services	1 275 000	1
Developmental Planning & Housing	6 539 000	3
Waste Management	11 065 000	6
Waste Water Management	5 465 000	3
Roads Transport	2 793 000	1
Water	20 679 000	11
Electricity	75 382 000	40
TOTAL OPERATING REVENUE	190 577 000	100
Operating Expenditure by GFS Vote		
Council(Executive Mayor, Councillors and MM)	16 020 000	7
Financial Services	63 445 000	29
Corporate Services	7 473 000	3
Community Services	11 728 000	5
Developmental Planning & Housing	15 847 000	7
Waste Management	9 728 000	4

Waste Water Management	4 180 000	2
Roads Transport	11 867 000	5
Water	10 701 000	5
Electricity	69 728 000	32
TOTAL OPERATING EXPENDITURE	220 718 000	100
SURPLUS / (DEFICIT)	-30 141 000	

The deficit of – R 30 141 000.00 does include non-cash items for asset depreciation of R30 185 000 .00- creating a surplus of R44 000.00. Departments utilised the month of December 2011 (year-to-date figures) to capture detail budget proposal. The budget proposals were analysed during various management (budget) meetings which took place during February / March 2012.

Departments were given the opportunity to refine their budget proposals in line with the budget principles and availability of revenue. These sessions did not only focus on expenditure, but revenue generation potential within the context of improved service delivery, operational efficiencies and potential gains.

6. CAPITAL BUDGET

The following table indicates the 2012/2013 Medium-term Capital Budget per Department and funding source.

DEPARTMENT	PROJECT	INTERNAL FUNDS	EXTERNAL FUNDS	TOTAL
CIVIL SERVICES				
MIG	Bulk water-Emjindini Trust/ Kamadakwa –Ndlovu –project completion		2 432 000	2 431 000
	AC pipes (Phase 5)New Village, White City, all streets below Sheba road, and streets between Bland- and Van der Merwe Streets		8 000 000	8 000 000
	Remedial work Lomati dam		4 362 000	4 361 000
	Roads and Storm Water		10 000 000	10 000 000

	Top 3 priorities: - Road and Storm water for Ext 9 (main road) - Road and Storm water for Spearville linked lower Dindela, New village (3 streets), lower part of Spearville (behind Dr. Dlamini Surgery via Mkhize Park going down, 5 streets to be prioritised over the period of 2 years) and - Main road and stormwater for Verulam.			
	Sport infrastructure		1 362 000	1 362 000
	PMU		1 089 000	1 089 000
	Bulk sewer line: Dikbas	1 000 000		1 000 000
	Bulk water meters	250 000		250 000
TOTAL		1 250 000	27 245 000	28 495 000
ELECTRICAL SERVICES				
INEP	Kamadakwa-Ndlovu (Phase1-200H)		2 200 000	2 200 000
	Sheba Siding (Phase1-290H)		3 200 000	3 200 000
	Bulk Supply eMjindini Trust		5 000 000	5 000 000
	Flash suites electricians	35 000		35 000
	Tools for workshop	34 000		34 000
	Furniture for workshop	6 000		6 000
	TOTAL DME grant funding	75 000	10 400 000	10 475 000
	TOTAL Equitable share counter funding (Electricity)		3 400 000	3 400 000
COMMUNITY SERVICES				
	1 x Tractor	240 000		240 000
	3 x Kudu grass cutters	90 000		90 000
	Machinery & equipment testing ground (Traffic)	130 000		130 000
	Fire brigade suites (3)	42 000		42 000
	Enclosed shelters cemetery	20 000		20 000
	Renovation of swimming pool-Cathyville	80 000		80 000

TOTAL		602 000		602 000
MUNICIPAL MANAGER, COMMUNITY ,CORPORATE SERVICES AND DEVELOPMENT PLANNING				
	Office furniture and computer equipment	115 300		115 300
TOTAL		115 300		115 300
FINANCIAL SERVICES				
	Cell phone meter readers (Meter readings via cell phones)	150 000		150 000
TOTAL		150 000		150 000
TOTAL CAPEX		2 222 300	41 045 000	43 267 300

The total draft capital budget currently equates to R43 267 million. Departments have to take into account their capacity to spend the requested budgets against the allocated projects in order to ensure implementation and provision of services delivery.

7. REVENUE FRAMEWORK

In order to serve the community and to render the services needed, revenue generation is fundamental to financial sustainability of every municipality. The reality is that we are faced with developmental backlogs and poverty, challenging our revenue generation capacity. The requests always exceed the available funds. This was even more obvious when compiling the 2012/2013 MTREF. Municipalities must table a balanced and more credible budget, based on realistic estimation of revenue that is consistent with their budgetary resources and collection experience.

The following table is a high level summary of the 2012/2013 MTREF (Classified per main revenue source). Increase revenue base through providing stands to be sold to middle and high income earners and commercial who can afford to pay for municipal services.

DESCRIPTION	APPROVED BUDGET 2011/12	ADJUSTME NT BUDGET 2011/12	BUDGET YEAR 2012/13	% INCREASE / (DECREAS E)	BUDGET YEAR 2013/14	BUDGET YEAR 2014/15
Operating Revenue by Source				%		
Property rates	18 052 000	18 052 000	20 776 000	13	22 023 000	23 244 000
Electricity	62 830 000	62 830 000	71 079 000	12	75 343 000	79 865 000
Water	19 119 000	19 119 000	20 266 000	6	21 481 000	22 771 000
Sanitation	5 137 000	5 137 000	5 445 000	6	5 782 000	6 118 000
Refuse Removal	6 649 000	6 649 000	11 039 000	40	11 702 000	13 404 000
Grants	25 708 000	25 708 000	50 104 000	49	55 990 000	54 456 000
Interest & Inv Inc	550 000	550 000	500 000	-10	530 000	561 000
Rent of facilities	1 323 000	1 323 000	1 229 000	-8	1 303 000	1 382 000
Interest on O/S debt	2 660 000	2 660 000	2 100 000	-27	2 226 000	2 359 000
Traffic fines	231 000	231 000	301 000	23	318 000	337 000
Fines	2 000	2 000	4 000	50	4 000	5 000
Licenses and permits	2 000	2 000	3 000	33	3 000	3 000
Other (Miscellaneous)	20 494 000	14 494 000	7 731 000	-87	5 469 000	4 883 000
TOTAL OPERATING REVENUE	162 757 000	156 757 000	190 577	18	202 174	209 388 000